

Registration number: 08022435

European Investments (SCEL) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



European Investments (SCEL) Limited

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European Investments (SCEL) Limited

Company Information

Directors	Laura Hoddell
	Louise Kingsley
	Giorgia Martina
	Tracy Scott
Company secretary	Dominic Hearth
Registered office	Beaufort Court
	Egg Farm Lane
	Off Station Road
	Kings Langley
	Hertfordshire
	WD4 8LR
Bankers	Lloyds Bank
	PO Box 72
	Bailey Drive
	Gillingham Business Park
	Gillingham
	Kent
Auditors	ME8 0LS
	Deloitte LLP
	Senior Statutory Auditor
	London
	United Kingdom

European Investments (SCEL) Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the company is that of a holding company.

Fair review of the business

The company made a profit for the year ended 31 December 2022 of £ 4,138,586 (2021: £11,219). As the company is a holding company and receives dividends, the increased profits are driven by uptake in revenue of the solar trading companies.

The assets and liabilities and financial position of the company at the end of the financial year are set out on page 13.

Dividends

An interim dividend of £4,165,854 was paid during the year (2021: £Nil). The directors do not recommend the payment of a final dividend (2021: £Nil).

Principal risks and uncertainties

As the company is a holding company, there are indirect risks to this company given it is reliant on dividends and cashflows from the trading companies. The principal risks and uncertainties of the business relate to the level of solar radiation arising at the site during the year and the variability of market prices.

Financial risk management policies and objectives

Details regarding managements approach to financial risk management can be found in note 2.

Post balance sheet events

Information relating to events since the end of the year is given in note 18.

Electricity generator levy

In the 2022 Autumn Statement, the Chancellor announced the introduction of a new 45% tax called the 'Electricity Generator Levy', which will potentially have a very significant impact on the Company. The levy aims to tax what it deems to be 'extraordinary returns' being realised by electricity generators (including those generated from renewable sources) as a result of the increased price of electricity. It came into force on 1 January 2023 and is currently set to be in place until 31 March 2028.

Despite the levy being enforced on higher revenue returns, the directors believe the expected electricity price achieved is sufficient for the company to continue operations and do not envisage any shortfalls in cash as a result of this levy. This impacts the holding company as it is an indirect impact not a direct one.

Climate change

The directors of European Investments (SCEL) Limited are deeply aware of the implications of climate change, from evolving policies to new low-carbon technologies and enhanced physical risks. The Renewables Infrastructure Group Limited (the ultimate parent company) continue to model climate scenarios to review potential business impacts however, as climate change continues to evolve, it is very difficult to make predictions of the impact on the business with any great certainty.

European Investments (SCEL) Limited

Strategic Report for the Year Ended 31 December 2022

Future developments

The directors do not anticipate any changes to the business activities in the forthcoming year.

The Russia-Ukraine conflict is a humanitarian crisis on a scale not seen in Europe since WWII. As sanctions continue to be imposed against Russia, the economic ramifications of increases to energy prices, fluctuations in foreign exchange rates and interest rate rises could be felt globally. The directors have considered the risks to supply chains and revenue streams however it is very difficult to make forward looking statements or predictions with any great certainty.

In the meantime, we have stress tested our business model to understand what the impact would be, as discussed in the Going Concern statements in this annual report.

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

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Louise Kingsley

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Louise Kingsley

Director

European Investments (SCEL) Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

The requirements for Financial Risk Management Policies and Objectives, Future Developments and Dividends are disclosed in the Strategic Report.

Directors of the company

The directors who held office during the year, and up to the date of this report are as follows:

Laura Hoddell

Louise Kingsley (appointed 7 July 2022)

Giorgia Martina

Tracy Scott

Jonathan Beeson (ceased 1 June 2023)

Robert Mattholie (ceased 7 July 2022)

Company Secretary

Dominic Hearth served as the company throughout the current and prior year.

Going concern

The financial position of the Company is set out in the Balance Sheet and the accompanying notes to the financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the company's cash flow for the period of 12 months from the approval date of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Given the availability of group funding to fund the underlying operations, the directors do not foresee any going concern issues. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

European Investments (SCEL) Limited

Directors' Report for the Year Ended 31 December 2022

Disclosure of information to the auditor

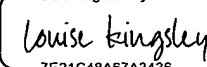
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

DocuSigned by:

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Louise Kingsley
Director

European Investments (SCEL) Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

European Investments (SCEL) Limited

Independent Auditor's Report to the Members of European Investments (SCEL) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of European Investments (SCEL) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes to 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

European Investments (SCEL) Limited

Independent Auditor's Report to the Members of European Investments (SCEL) Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

European Investments (SCEL) Limited

Independent Auditor's Report to the Members of European Investments (SCEL) Limited

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

European Investments (SCEL) Limited

**Independent Auditor's Report to the Members of European Investments (SCEL)
Limited**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Marianne Milnes

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Marianne Milnes (FCA) (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

31 August 2023

European Investments (SCEL) Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Administrative expenses		<u>(2)</u>	<u>(8)</u>
Operating loss		<u>(2)</u>	<u>(8)</u>
Other interest receivable and similar income	3	5,058	931
Interest payable and similar expenses	4	<u>(912)</u>	<u>(912)</u>
		<u>4,146</u>	<u>19</u>
Profit before tax		4,144	11
Tax on profit	7	<u>(5)</u>	
Profit for the financial year		<u><u>4,139</u></u>	<u><u>11</u></u>

All transactions are derived from continuing operations.

The notes on pages 15 to 26 form an integral part of these financial statements.

European Investments (SCEL) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Profit for the year		<u>4,139</u>	<u>11</u>
Total comprehensive income for the year		<u><u>4,139</u></u>	<u><u>11</u></u>

European Investments (SCEL) Limited

(Registration number: 08022435)
Balance Sheet as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Investments	8	18,718	18,718
Current assets			
Debtors	9	265	620
Creditors: Amounts falling due within one year	10	<u>(348)</u>	<u>(676)</u>
Net current liabilities		<u>(83)</u>	<u>(56)</u>
Total assets less current liabilities		18,635	18,662
Creditors: Amounts falling due after more than one year	10	<u>(10,925)</u>	<u>(10,925)</u>
Net assets		<u>7,710</u>	<u>7,737</u>
Capital and reserves			
Profit and loss account	12	<u>7,710</u>	<u>7,737</u>
Total equity		<u>7,710</u>	<u>7,737</u>

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

DocuSigned by:

Louise Kingsley

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Louise Kingsley
 Director

The notes on pages 15 to 26 form an integral part of these financial statements.

European Investments (SCEL) Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Note	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022		<u> </u>	<u>7,737</u>	<u>7,737</u>
Profit for the year		<u>-</u>	<u>4,139</u>	<u>4,139</u>
Total comprehensive income			4,139	4,139
Dividends	13	<u>-</u>	<u>(4,166)</u>	<u>(4,166)</u>
At 31 December 2022		<u>-</u>	<u>7,710</u>	<u>7,710</u>

	Note	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021		<u> </u>	<u>7,726</u>	<u>7,726</u>
Profit for the year		<u>-</u>	<u>11</u>	<u>11</u>
Total comprehensive income			11	11
At 31 December 2021		<u>-</u>	<u>7,737</u>	<u>7,737</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The particular accounting policies adopted by the directors are described below. The registered office is Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR.

These financial statements were authorised for issue by the Board on 31 August 2023.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £000 unless otherwise stated.

European Investments (SCEL) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements. European Investments (SCEL) Limited is consolidated in the financial statements of European Investments (Cornwall) Holdings Limited.

Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, disclosure of financial instruments and disclosure of related party transactions.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Financial instruments

Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

The company has chosen to adopt the recognition and measurement provisions of Sections 11 and 12 of FRS 102 for financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Going concern

The financial statements have been prepared on the going concern basis.

The Renewables Infrastructure Group (UK) Investments Limited, ("the group"), has confirmed to the directors that it will not demand repayment for existing intercompany loans such that insolvency would result, for a period of at least twelve months from the date of signing of the Annual Report and Financial Statements.

The directors have considered the company's cash flow forecast for the period to the end of August 2024 and are satisfied that the company, taking account of the company's and the wider group's reasonably possible changes in trading performance and the current funds available, is able to operate for at least twelve months from the signing of the Annual Report and Financial Statements. For this reason the directors believe that the company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Financial risk management policies and objectives

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market process. Market prices comprise of a number of types of risk, the following are discussed below: interest rate risk and currency risk. Financial instruments affected by market risk include: loans and borrowings, deposits and derivative financial instruments. As the company is a holding company, the risks described either direct for the entity or are indirect risks for the subsidiaries.

The Company's risk management focuses on the major areas of credit risk and liquidity risk.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The company does not have significant exposure in this respect.

Regulatory risk

Regulatory risk is the risk that a change in regulations and law that might affect an industry or a business, in this case, the indirect subsidiaries rather than this particular company. Renewable energy projects are dependent for their commercial viability on a suitable regulatory regime. There is a risk that governments introduce retrospective changes to the regime that is agreed at the time the project commenced. This however is unusual in the market and changes to the regulatory regime are more typically for future projects.

Energy resource risk

The energy resource risk, that is relevant for the indirect subsidiary, instead of this company, is the risk that the amount of the renewable energy resource (e.g. wind and solar irradiation) that is available for a given project is lower than the amount that is expected in the financial model. As the company is a holding company, these are indirect risks to this company given it is reliant on dividends and cashflows from the trading companies.

Capital risk management

Capital held by the Company and managed centrally as part of the The Renewables Infrastructure Group (UK) Limited comprises share capital and reserves which can be found in the Balance Sheet on page 13.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.

2 Accounting policies (continued)

Summary of significant accounting judgements and key accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting judgements and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

There are no critical judgements in applying accounting policies within the year.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty.

3 Other interest receivable and similar income

	2022 £ 000	2021 £ 000
Dividend income	4,126	-
Interest receivable on loans to group undertakings	932	931
	<u>5,058</u>	<u>931</u>

4 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest payable on loans from group undertakings	912	912

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

5 Staff costs

The Company had no employees and no directors were paid by the Company for their services during the current nor the prior financial year.

6 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	<u>2</u>	<u>8</u>

There were no non audit fees within the year and the prior year. The audit fee for the current year of £9,300 is paid by another group company.

7 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	3	
UK corporation tax adjustment to prior periods	<u>2</u>	
	<u>5</u>	

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021:19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	<u>4,144</u>	<u>11</u>
Corporation tax at standard rate	787	2
Effect of revenues exempt from taxation	(784)	-
Tax rate changes	2	-
Tax increase (decrease) arising from group relief	<u>-</u>	<u>(2)</u>
Total tax charge	<u>5</u>	<u></u>

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Investments

	2022 £ 000	2021 £ 000
Investments in subsidiaries	<u>18,718</u>	<u>18,718</u>
Reconciliation of investments		
Shares in group undertakings		
At 1 January 2022	<u>7,758</u>	<u>7,758</u>
At 31 December 2022	<u>7,758</u>	<u>7,758</u>
Loans to group undertaking		
At 1 January 2022	<u>10,960</u>	<u>10,960</u>
At 31 December 2022	<u>10,960</u>	<u>10,960</u>
Total investment in subsidiaries	<u>18,718</u>	<u>18,718</u>

The loan due from the subsidiary is unsecured and carries interest at 8.5% and the loan matures at 2034.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
European Investments (Cornwall) Limited	Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR United Kingdom	Ordinary	100%	100%
Churchtown Solar Limited*	Farm Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR United Kingdom	Ordinary	100%	100%
East Langford Limited*	Solar Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR United Kingdom	Ordinary	100%	100%

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Manor Farm Solar Limited*	Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR United Kingdom	Ordinary	100%	100%

*The following companies are indirect holdings.

Subsidiary undertakings

European Investments (Cornwall) Limited

The principal activity of European Investments (Cornwall) Limited is Holding Company.

*Churchtown Farm Solar Limited**

The principal activity of Churchtown Farm Solar Limited* is the generation and sale of solar generated electricity and associated benefits.

*East Langford Solar Limited**

The principal activity of East Langford Solar Limited* is the generation and sale of solar generated electricity and associated benefits.

*Manor Farm Solar Limited**

The principal activity of Manor Farm Solar Limited* is the generation and sale of solar generated electricity and associated benefits.

9 Debtors

	2022	2021
	£ 000	£ 000
Accrued income	265	620
	<u>265</u>	<u>620</u>

10 Creditors

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Creditors (continued)

	Note	2022 £ 000	2021 £ 000
Due within one year			
Amounts due to related parties	15	342	669
Accruals			7
Income tax liability	7	<u>6</u>	<u>-</u>
		<u>348</u>	<u>676</u>
Due after one year			
Loans and borrowings		<u>10,925</u>	<u>10,925</u>

Loan and other borrowings consist of amounts owed to the parent company. Interest is charged on loans from the parent company at a rate of 8.35% which are due for repayment between 31 March 2034 and 30 September 2036.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

11 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share capital of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

12 Reserves

The company's reserves are as follows:

The profit and loss reserve represents the cumulative profit or losses, net of dividends and other adjustments.

13 Dividends

Interim dividends paid

	2022 £ 000	2021 £ 000
Interim dividend of £208,292.71 (2021: £Nil) per ordinary share	<u>4,166</u>	<u>-</u>

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

14 Financial instruments

Categorisation of financial instruments

	2022 £ 000	2021 £ 000
Financial assets measured at amortised cost	265	620
	<u>265</u>	<u>620</u>
Financial liabilities measured at amortised cost	11,267	11,594
	<u>11,267</u>	<u>11,594</u>

Items of income, expense, gains or losses

The total interest expense for financial liabilities not measured at fair value through profit or loss is £912,275 (2021: £911,740).

15 Related party transactions

These financial statements are included within the consolidated financial statements European Investments (Cornwall) Holdings Limited, which are publicly available. Consequently, the Company has taken the exemption under Section 33.1A of FRS 102 not to provide information on related party transactions with other undertakings within the European Investments (Cornwall) Holdings Limited Group.

16 Contingent liabilities and other commitments

The Company is included within a group VAT registration scheme, involving certain group undertakings. As such the Company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. At 31 December 2022 this amounted to £15,483 (2021: £Nil). As at 31 December 2022, £Nil (2021: £16,463) VAT was refundable to the group.

Certain loan balances outstanding in the immediate parent undertaking, European Investments (Cornwall) Holdings Limited and in the subsidiary, European Investments (Cornwall) Limited are secured by a fixed and floating charge over the assets of the company.

17 Parent and ultimate parent undertaking

The company's immediate parent is European Investments (Cornwall) Holdings Limited, incorporated in United Kingdom. The registered address is Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR. These financial statements are available upon request from Companies House.

The registered address, from which financial statements are available to the public, is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey. The ultimate parent is The Renewable Infrastructure Group Limited, incorporated in Guernsey.

The ultimate controlling party is The Renewable Infrastructure Group Limited and is owned by a number of investors with no one investor having individual control. The largest and smallest group which consolidates the results of the Company is European Investments (Cornwall) Holdings Limited.

European Investments (SCEL) Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

18 Post balance sheet events

On 30 June 2023, a dividend of £1,000,587.49 was declared and paid to European Investments (Cornwall) Holdings Limited.